

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL). (a) to (c) The report of the Comptroller and Auditor General of India for the year ended March, 2002—Union Government (No. 1 of 2003) was presented in Parliament on 22nd April, 2003. In paragraph 7.1 of the report, excess expenditure of Rs. 1095,25,19,564 was reported requiring regularization under Article 115(1)(b) of the constitution. General Financial Rules contain detailed guidelines for prudent expenditure management and control. The Ministry of Finance has issued directions to all the Ministries/Departments to avoid recurrence of excess expenditure over sanctioned provision and closely monitor the expenditure and realistically estimate requirements, including where supplementary grants are sought, in order to ensure proper and timely utilization within the approved budget provisions.

(d) Does not arise.

#### **Assistance to Bombay Mercantile Co-operative Bank**

2165. SHRI V. HANUMANTHA RAO: Will the Minister of FINANCE be pleased to state:

(a) whether the RBI has received representation to grant assistance to the long established Bombay Mercantile Co-operative Bank;

(b) the details of demands to help this bank which focuses on small loans to the Minority Community;

(c) whether Government and RBI has called a meeting to find ways and means to assist the Bank; and

(d) what basic inhibitions and hurdles do Government anticipate in helping this bank expand and grow?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) No, Sir. Reserve Bank of India has not received any representation for financial assistance from the Bank.

(b) Does not arise.

[12 December, 2006]

RAJYA SABHA

(c) and (d) A meeting was held by the Deputy Governor of Reserve Bank of India with the Administrator and other senior officials of the Bombay Mercantile Co-op. Bank Ltd., Mumbai on August 7, 2006 to review the financial position of the bank. The Bank was advised to draw up an action plan, which should include measures like:

- (i) Formulate a long term strategy with short term targets for turnaround of the bank.
- (ii) to recover NPAs of about Rs. 120 crore by March 31, 2007
- (iii) increase share capital
- (iv) Consider raising long term bonds and persuading large depositors for restructuring of their deposits.

### **Smuggling of watches**

2166. SHRI DHARAMPAL SABHARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that over 60 per cent watches sold in the country are either smuggled or made from smuggled parts;

(b) if so, what are the steps Government have taken/propose to take to curb the illegal import of watches/parts to help and encourage legitimate Indian business entities engaged in the manufacturing of watches;

(c) whether it is also a fact that All India Federation of Horological Industries (AIFHI) have requested Government for rationalization of duty on watch and watch components; and

(d) if so, what are the details in this regard and Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No such information is available in the Ministry. However, available intelligence does not indicate that there is any large scale smuggling of watch and watch parts. The seizure figures, given below, for the last three financial years confirm that there is no substantial smuggling of watch and watch parts.